# MISSOURI HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

FINANCIAL STATEMENTS,
REQUIRED SUPPLEMENTAL INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT

## DECEMBER 31, 2015

# TABLE OF CONTENTS

**Page**

# Management's Discussion and Analysis

For the Years Ended December 31, 2015 and 2014
(See Independent Auditor's Report)

This section of the Missouri Health and Educational Facilities Authority (the "Authority") annual financial report presents management's discussion and analysis of the Authority's operations and financial position during the fiscal years ended December 31, 2015 and 2014. This analysis should be read in conjunction with the independent auditor's report, financial statements, notes to the financial statements and supplementary information.

**Background on the Authority**

The Health and Educational Facilities Authority of the State of Missouri was created by an Act of the Missouri General Assembly and became operational in 1979. The Authority is a self-supporting entity under the Office of Administration of the State of Missouri. No taxing power exists and no appropriations or other State support are received by the Authority. It is empowered to make loans to any qualified health or educational institution and to refund outstanding obligations, mortgages or advances issued, made or given for the cost of the facilities. The Authority's transactions are accounted for in a single enterprise fund which is a type of proprietary fund that maintains operations similar to private business enterprises.

The Authority assists Missouri not-for-profit and governmental institutions in borrowing funds at the lowest possible cost to provide quality medical and educational services to Missouri residents. Interest paid on Authority bonds and notes is exempt from Federal and Missouri state income taxation, resulting in materially lower interest rates for substantial savings on financing cost.

Many types of health care and education institutions across the state receive financing from the Authority. Health care financings have been arranged for health facilities ranging from fewer than 100 to over 1,000 beds, including acute and primary care facilities, teaching and research centers, osteopathic hospitals, retirement and nursing homes, specialized care centers and alcoholic rehabilitation treatment centers. Educational financings include public universities, liberal arts colleges, major research universities and medical schools, institutions of specialized instruction, public school districts, private elementary and secondary schools and charter schools.

During 1985, the Authority became authorized to assist public school districts and community colleges with loans to fund shortfalls in operating funds during the school year.

In 1988, the Authority issued a series of bonds designed to assist organizations that provide care for persons affected by mental disabilities.

During 1995, the Authority was charged with developing guidelines for and the administration of the Direct Deposit Program, which provides strong credit ratings for Missouri school districts. The Authority also developed the Health and Educational Loan Program (HELP) which provides low interest loans to small health care and educational facilities.

**Background on the Authority (Continued)**

The Authority's bonds and notes do not constitute a debt or liability of the State of Missouri or any political subdivision thereof, within the meaning of any State constitutional provision or statutory limitation. The credit supporting any Authority note or bond issue is the credit of the individual borrowing institution. The bonds and notes are limited obligations of the Authority payable solely from payments made by the borrowing institution.

**Financial Highlights**

- The Authority's total net assets have increased by $332,400 and $349,113 in 2015 and 2014, respectively.

- During the years ended December 31, 2015 and 2014, the Authority's total operating revenues exceeded operating expenses by $314,799 and $339,845, respectively. The Authority had operating revenues of $1,391,767 and $1,346,555 and operating expenses of $1,076,968 and $1,006,710 for the years ended December 31, 2015 and 2014, respectively.

**Overview of the Financial Statements**

The three basic statements presented within the financial report are as follows:

- Statement of Net Assets - This statement presents information reflecting the Authority's assets, liabilities and net assets. Net assets represent the amount of total assets less total liabilities. The statement of net assets is categorized as to current and noncurrent assets and liabilities. For purposes of the financial statements, current assets and liabilities are those assets and liabilities with immediate liquidity or which are collectible or become due within one year of the financial statement date.

- Statement of Revenues, Expenses and Changes in Net Assets - This statement reflects the operating revenue, expenses, and non-operating revenue during the year. Operating revenue is from administrative fees charged to health care and educational institutions. The change in net assets for an enterprise fund is similar to net profit or loss for any other business enterprise.

- Statement of Cash Flows - The statement of cash flows is presented on the direct method of reporting which reflects cash flows from operating and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease for the year.

**Overview of the Financial Statements (Continued)**

The following summarizes the financial position of the Authority for the years ended December 31, 2015 and 2014.

ASSETS

| | 2015 | 2014 | Increase (Decrease) 2015 vs 2014 |
|---|---|---|---|
| Current assets | $ 4,723,569 | $ 4,522,831 | $ 200,738 |
| Noncurrent assets | 3,191,669 | 3,058,280 | 133,389 |
| Total Assets | $ 7,915,238 | $ 7,581,111 | $ 334,127 |

LIABILITIES AND NET ASSETS

| | 2015 | 2014 | Increase (Decrease) 2015 vs 2014 |
|---|---|---|---|
| Current liabilities | $ 190,208 | $ 188,481 | $ 1,727 |
| Net assets | 7,725,030 | 7,392,630 | 332,400 |
| Total Liabilities and Net Assets | $ 7,915,238 | $ 7,581,111 | $ 334,127 |

The following summarizes the results of operations of the Authority for the years ended December 31, 2015 and 2014:

| | 2015 | 2014 | Increase (Decrease) 2015 vs 2014 |
|---|---|---|---|
| Operating revenues | $ 1,391,767 | $ 1,346,555 | $ 45,212 |
| Operating expenses | 1,076,968 | 1,006,710 | 70,258 |
| Operating income | 314,799 | 339,845 | (25,046) |
| Non-operating income: | | | |
| Investment income | 17,601 | 9,268 | 8,333 |
| Change in Net Assets | 332,400 | 349,113 | (16,713) |
| Total Net Assets – Beginning of Year | 7,392,630 | 7,043,517 | 349,113 |
| Total Net Assets – End of Year | $ 7,725,030 | $ 7,392,630 | $ 332,400 |

**Analysis**

Over 87% of operating revenue comes from annual service fees paid by borrowers as a result of having previously taken advantage of financing opportunities offered by the Authority. Total outstanding transactions continue to increase and demand for new transactions is very strong. The Authority is confident that while its fees and interest rates are low compared to similar issuers in other states, the various operating revenue sources are adequate to maintain the operations of the Authority. Interest income on investment of reserves is the other component of total revenue. Interest rates remained stable during the year. As such, total investment revenue in 2015 was consistent with 2014.

The Authority issues bonds, notes and leases on behalf of various health systems, stand-alone hospitals, medical research institutions, long term care facilities, higher educational institutions, public school districts, private elementary and secondary schools and educational systems. In 2015, activity was approximately 73% health care and 27% education in terms of dollar volume and 50% and 50%, respectively, in terms of the number of transactions. Historically, activity has been approximately 65% health care and 35% education in terms of dollar volume and 50% each in terms of the number of transactions.

Fiscal year 2015 represented a higher than typical volume of total financing activity in terms of both number of transactions and dollar issuance. The twenty bond and note issues completed in 2015 exceeded both the historic and ten-year transaction averages and the dollar volume of $1,077,709,395 was in excess of both the historic and ten-year issuance averages.

In addition, the Authority's direct loan HELP Program continues to be a success in providing low cost loans to small health and education providers and to public school districts.

The Missouri School District Direct Deposit Program finished the June 30, 2015 fiscal year with 127 transactions and $638,936,299 in school district bonds. The Authority acts as Program Administrator and not issuer; therefore the activity is not recorded in the Authority's financial statements. The program's administration fees were $50,800 and $47,600 for the years ended December 31, 2015 and 2014, respectively.

## Administration of Authority Conduit Debt

As of December 31, 2015 and 2014, the Authority had outstanding $9,350,458,821 and $9,398,239,008, respectively, of conduit debt in bonds, notes and leases. The total amount outstanding continues to grow as more money is borrowed through the capital markets than is paid off through calls, maturities, refundings, etc. which is well within the expectation, scope and purpose of the Authority. Transactions outstanding include publicly placed bonds with various ratings from Standard & Poor's, Fitch and/or Moody's ranging from AAA/Aaa through BBB-/Baa3, publicly placed bonds that are unrated, privately placed unrated bonds and notes with various short term ratings.

More detailed information regarding the outstanding and defeased debt of the Authority can be found in Note H to the financial statements and in the supplemental information section at the back of the financial statements.

## Contacting the Authority's Financial Management

This financial report is designed to provide interested parties with a general overview of the Authority's finances and to demonstrate its accountability for the monies received. If you have questions about this report or need additional financial information, contact the Authority's Executive Director or Assistant Director at 15450 South Outer Forty Road, Suite 230, Chesterfield, Missouri 63017.

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# Independent Auditor's Report

To the Members of the
Missouri Health and Educational Facilities Authority
Chesterfield, Missouri

## Report on the Financial Statements

We have audited the accompanying financial statements of the Missouri Health and Educational Facilities Authority (the "Authority"), which comprise the statement of net assets as of December 31, 2015, and the related statements of revenues, expenses and changes in net assets, cash flows for the year then ended, and the related notes to the financial statements.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Missouri Health and Educational Facilities Authority as of December 31, 2015 and the changes in its net assets and its cash flows for year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

*Prior Year Financial Statements*

The financial statements of Missouri Health and Educational Facilities Authority as of and for the year ended December 31, 2014, were audited by other auditors whose report dated April 1, 2015, expressed an unmodified opinion on those financial statements.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages *i-v* be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Conduit Debt is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management. The information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on the information.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards,* we also issued our report dated April 4, 2016, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in the Authority's internal control over financial reporting and compliance.

Brown Smith Wallace, LLP

St. Louis, Missouri
April 4, 2016

## MISSOURI HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

### Statements of Net Assets

December 31, 2015 and 2014

(See Independent Auditor's Report)

| | 2015 | 2014 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents | **$ 1,314,832** | $ 1,184,383 |
| Investments, at fair value | **2,725,000** | 2,725,000 |
| Receivables | **27,495** | 45,360 |
| Notes receivable, current portion | **607,388** | 512,549 |
| Prepaid expenses and other current assets | **48,854** | 55,539 |
| **Total Current Assets** | **4,723,569** | 4,522,831 |
| **Notes Receivable, less current portion** | **3,185,276** | 3,048,438 |
| **Capital Assets, net** | **6,393** | 9,842 |
| **TOTAL ASSETS** | **$ 7,915,238** | $ 7,581,111 |
| **LIABILITIES AND NET ASSETS** | | |
| Accounts payable | **8,267** | 7,078 |
| Deferred administrative fee income | **181,941** | 181,403 |
| **Total Current Liabilities** | **190,208** | 188,481 |
| **NET ASSETS** | | |
| Unrestricted | **7,725,030** | 7,392,630 |
| **TOTAL LIABILITIES AND NET ASSETS** | **$ 7,915,238** | $ 7,581,111 |

The accompanying notes are an integral part of these financial statements.

## MISSOURI HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

### Statements of Revenues, Expenses, and Changes in Net Assets

For the Years Ended December 31, 2015 and 2014
(See Independent Auditor's Report)

| | 2015 | 2014 |
|---|---|---|
| **REVENUE** | | |
| Administrative fees | **$ 1,223,311** | $ 1,178,750 |
| Interest income - HELP program | **94,656** | 103,625 |
| Direct deposit program fees | **50,800** | 47,600 |
| Application fees and other | **23,000** | 16,580 |
| **Total Revenue** | **1,391,767** | 1,346,555 |
| **OPERATING EXPENSES** | | |
| Salaries and fringe benefits | **446,472** | 433,654 |
| Legal and professional fees | **409,474** | 345,104 |
| General and administrative expenses | **221,022** | 227,952 |
| **Total Operating Expenses** | **1,076,968** | 1,006,710 |
| **Operating Income** | **314,799** | 339,845 |
| **NON-OPERATING INCOME** | | |
| Investment income | **17,601** | 9,268 |
| **CHANGE IN NET ASSETS** | **332,400** | 349,113 |
| **NET ASSETS, beginning of year** | **7,392,630** | 7,043,517 |
| **NET ASSETS, end of year** | **$ 7,725,030** | $ 7,392,630 |

The accompanying notes are an integral part of these financial statements.

## MISSOURI HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

## Statements of Cash Flows

For the Years Ended December 31, 2015 and 2014

(See Independent Auditor's Report)

| | 2015 | 2014 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Cash received from others | **$ 1,415,217** | $ 1,364,076 |
| Cash payments to suppliers for goods and services | **(619,173)** | (576,833) |
| Cash paid to employees for services and benefits | **(446,472)** | (433,654) |
| **Net Cash and Cash Equivalents Provided by Operating Activities** | **349,572** | 353,589 |
| **Cash flows from investing activities** | | |
| Issuance of notes receivable | **(800,000)** | (1,115,000) |
| Payments received on notes receivable | **568,323** | 1,126,883 |
| Purchase of investments | **(1,725,000)** | (1,725,000) |
| Sale of investments | **1,725,000** | 1,725,000 |
| Investment interest received | **12,554** | 13,707 |
| Purchase of capital assets | **-** | (10,195) |
| **Net Cash and Cash Equivalents (used in) provided by Investing Activities** | **(219,123)** | 15,395 |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS** | **130,449** | 368,984 |
| **Cash and Cash Equivalents, Beginning of year** | **1,184,383** | 815,399 |
| **Cash and Cash Equivalents, End of year** | **$ 1,314,832** | $ 1,184,383 |
| **Cash flows from operating activities** | | |
| Operating income | **$ 314,799** | $ 339,845 |
| Adjustments to reconcile operating income to net change in cash and cash equivalents provided by operating activities: | | |
| Depreciation expense | **3,449** | 3,622 |
| (Increase) decrease in assets: | | |
| Receivables - operating | **22,912** | (3,383) |
| Prepaid expenses | **6,685** | (5,438) |
| Increase (decrease) in liabilities: | | |
| Accounts payable | **1,189** | (1,961) |
| Deferred administrative fee income | **538** | 20,904 |
| **Net Cash and Cash Equivalents Provided by Operating Activities** | **$ 349,572** | $ 353,589 |

The accompanying notes are an integral part of these financial statements.

## Note A - Summary of Significant Accounting Policies

### Organization

Missouri Health and Educational Facilities Authority (the "Authority") is a public instrumentality of the State of Missouri intended to provide an additional capital financing method for non-profit and governmental health and educational institutions within the State of Missouri. The Authority may issue tax-exempt revenue bonds, notes or other obligations on behalf of non-profit institutions for the purpose of construction, improvement of facilities or the refinancing of outstanding debt. These bonds, notes or other obligations and the interest thereon do not constitute a debt or liability of the Authority, the State of Missouri or any political subdivision thereof, but are special obligations between the investors and the debtors payable solely from the payments received by the trustees under the loan agreements.

The Authority is a related organization to the State of Missouri, and as such, the State is accountable for the Authority.

### Reporting Entity

The Missouri Health and Educational Facilities Authority's financial reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) Statement No.14 *"The Reporting Entity*." The financial statements include all departments and operations for which the Authority is financially accountable. Financial accountability exists if a primary government/component unit appoints a majority of an organization's governing board and is able to impose its will on that organization. Financial accountability may also be deemed to exist if there is a potential for the organization to provide financial benefits to, or impose financial burdens on, the primary government/component unit. On this basis, no governmental organizations other than the Authority itself are included in the financial reporting entity.

### Basis of Accounting and Revenue Recognition

The Authority prepares its financial statements on the accrual basis of accounting in accordance with United States generally accepted accounting principles for governmental enterprise funds. These principles are similar to those for private business enterprises. Accordingly, revenues are recorded when earned and expenses when incurred.

**Note A - Summary of Significant Accounting Policies (Continued)**

**Cash and Cash Equivalents**

For purposes of the Statements of Cash Flows, the Authority considers cash equivalents to include short-term investments which generally are investments with maturities of 90 days or less when purchased that are both (1) readily convertible to known amounts of cash, or (2) so near their maturity that they present insignificant risk of change in value because of changes in interest rates. Cash includes $1,276,538 and $1,141,495 of an insured money market account at December 31, 2015 and 2014, respectively. The Authority maintains its cash in bank deposits which at times may exceed federally insured limits of up to $250,000 for each institution. The Authority has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

**Investments**

Investments are stated at fair value in accordance with GASB Statement No. 31.

**Accounts and Notes Receivable**

The Authority uses the reserve method of accounting for bad debts. Under this method, all uncollectible accounts are charged to the allowance account, and bad debt expense is determined by adjusting the balance in the allowance account to reserves considered reasonable by management. Management believes that substantially all accounts and notes receivable are collectible and therefore, has not established an allowance for doubtful accounts at December 31, 2015 or 2014.

**Deferred Administrative Fee Income**

The Authority's revenues are derived from service fees assessed on a percentage of the outstanding bond principal of each issue. The institutions are generally billed in advance on a quarterly basis and revenues are recognized ratably over the period earned.

## Note A - Summary of Significant Accounting Policies (Continued)

### Net Assets

Net assets represent the difference between assets and liabilities and are classified as either: capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets; restricted when there are limitations imposed on their use either by law through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments; and unrestricted for those net assets that do not meet the definition of invested in capital assets, net of related debt or restricted.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Capital Assets

Capital assets consist mainly of office furniture and equipment recorded at cost. Depreciation expense for fixed assets is recognized on the straight-line method over estimated useful lives ranging from three to seven years.

### Income Taxes

The Authority is exempt from federal income tax in accordance with Section 115 of the Internal Revenue Code (IRC).

### Subsequent Events

The Authority has evaluated all subsequent events through April 4, 2016, the date the financial statements were available to be issued.

**Note B - Investments**

The Board has adopted an investment policy which identifies various authorized investment instruments, maturity constraints, investment ratings, and liquidity parameters. Authorized investments include obligations of the United States of America and its agencies; obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service; certificates of deposit which are either insured, secured by specified securities or issued by a bank or other financial institution whose outstanding unsecured long-term debt is rated within the top two rating categories of any nationally recognized rating service; repurchase agreements; obligations of banks and other financial institutions whose outstanding unsecured long-term debt is rated within the top two rating categories of any nationally recognized rating service and short-term obligations of the Federal National Mortgage Association and Government National Mortgage Association.

At December 31, 2015, the Authority had its investments in Certificates of Deposit with the following annual maturities:

| Investment Type | Fair Value | Less Than 1 | 1 – 5 | 6 – 10 | More Than 10 |
|---|---|---|---|---|---|
| Certificates of Deposit | $2,725,000 | $2,725,000 | - | - | - |

*Custodial Credit Risk-Deposits.* - Custodial credit risk is the risk that in the event of a bank failure, Missouri Health and Educational Facilities Authority's deposits may not be returned to it. The Authority's Certificates of Deposit are invested either in banks with a rating of AA or AAA or in banks who deposit the funds through the Certificate of Deposit Account Registry Service (CDARS) program. As of December 31, 2015 and 2014, none of the Authority's Certificate of Deposit balance of $2,725,000 was exposed to custodial credit risk as uninsured and uncollateralized.

**Note B - Investments (Continued)**

*Interest Rate Risk* - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority holds Certificates of Deposit with maturities generally ranging from three months to two years. The Authority's policy is to hold investments which mature or are redeemable at the option of the holder on a date or date prior to the time when the funds so invested will be required for expenditure.

*Credit Risk* - Credit risk is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. The Authority's policy is defined by Missouri statute and limits investments to obligations of the United States of America and its agencies; obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service; certificates of deposit which are either insured, secured by specified securities or issued by a bank or other financial institution whose outstanding unsecured long-term debt is rated within the top two rating categories of any nationally recognized rating service; repurchase agreements; obligations of banks and other financial institutions whose outstanding unsecured long-term debt is rated within the top two rating categories of any nationally recognized rating service and short-term obligations of the Federal National Mortgage Association and Government National Mortgage Association. The Authority's investments consist of Certificates of Deposit which are protected up to $250,000 per bank by the Federal Deposit Insurance Corporation. No uninsured amount exists at December 31, 2015 and 2014.

*Concentration of Credit Risk* - Concentration of credit risk is the risk of loss attributed to the concentration of an entity's investment in a single issuer. The Authority's policy is defined by Missouri statute and limits investments to obligations of the United States of America and its agencies; obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service; certificates of deposit which are either insured, secured by specified securities or issued by a bank or other financial institution whose outstanding unsecured long-term debt is rated within the top two rating categories of any nationally recognized rating service; repurchase agreements; obligations of banks and other financial institutions whose outstanding unsecured long-term debt is rated within the top two rating categories of any nationally recognized rating service and short-term obligations of the Federal National Mortgage Association and Government National Mortgage Association.

**Note C - Notes Receivable**

The Authority has made loans to school districts and small and rural providers of health and educational services at interest rates of 1.56% to 5.00% per annum on outstanding balances. These loans require monthly principal and interest payments and have a maturity of ten to twenty years.

At December 31, 2015 and 2014, the interest bearing notes receivable are as follows:

| | Due | **2015** | 2014 |
|---|---|---|---|
| Ava R-1 of Douglas County | 2025 | **$ 382,153** | $ - |
| Citizen Memorial Healthcare | 2019 | **171,447** | 215,549 |
| Centralia of Boone County | 2022 | **190,912** | 217,570 |
| Family Health Center of Boone County | 2021 | **85,392** | 100,637 |
| Family Health Center of Boone County | 2022 | **159,819** | 185,984 |
| I-70 Medical Center | 2015 | **4,222** | 20,761 |
| Jordan Valley Community Health Center | 2018 | **101,882** | 145,776 |
| Jordan Valley Community Health Center | 2024 | **340,621** | 376,586 |
| Katy Trail Community Health | 2025 | **388,091** | - |
| Marion C. Early R-V School District | 2024 | **337,655** | 373,710 |
| Maysville School District | 2022 | **202,539** | 231,526 |
| Mexico #59 of Audrain County | 2019 | **153,405** | 194,407 |
| Miami School District | 2022 | **165,891** | 189,899 |
| Ozarks Community Health Center | 2024 | **277,385** | 305,697 |
| Rich Hill R-4 School District | 2023 | **66,619** | 74,337 |
| Sherwood R-8 School District | 2023 | **289,864** | 328,205 |
| Steelville R-3 of Crawford County | 2018 | **109,851** | 152,669 |
| Western Johnson County Health Clinic | 2018 | **99,245** | 143,553 |
| Willard School District | 2022 | **265,671** | 304,121 |
| Total Notes Receivable | | **3,792,664** | 3,560,987 |
| Current Portion | | **(607,388)** | (512,549) |
| Notes Receivable, Non-Current | | **$ 3,185,276** | $ 3,048,438 |

**Note D - Capital Assets**

Capital asset activity was as follows at December 31:

| | 2013 | Net Activity | 2014 | Net Activity | **2015** |
|---|---|---|---|---|---|
| Total capital assets being depreciated | $ 71,697 | $ (3,419) | $ 68,278 | $ - | **$ 68,278** |
| Less accumulated depreciation | (68,428) | (9,992) | (58,436) | (3,449) | **(61,885)** |
| Total capital assets, net | $ 3,269 | $ (13,411) | $ 9,842 | $ (3,449) | **$ 6,393** |

Depreciation expense for the years ended December 31, 2015 and 2014 was $3,449 and $3,622, respectively.

**Note E - Lease Commitment**

In April 2015, the Authority entered into a 6-year lease agreement for office space. Previous to 2015, the Authority leased office space at the same location under seventy-two month agreements beginning in April 1997.

Future minimum lease payments under the lease are as follows:

| Year ending December 31, | Amount |
|---|---|
| 2016 | $ 69,860 |
| 2017 | 71,024 |
| 2018 | 71,607 |
| 2019 | 72,771 |
| 2020 | 73,353 |
| Thereafter | 24,451 |

Rent expense for the years ended December 31, 2015 and 2014, was $72,371 and $79,175, respectively.

### Note F - Pension Plan

The Authority has a defined contribution retirement plan covering all full-time employees. The Authority contributes to the plan, on a quarterly basis in arrears, an amount equal to twenty percent of each qualified employee's salary. Such contributions are fully vested. For the years ended December 31, 2015 and 2014, expenses under this plan were $64,158 and $62,289, respectively.

### Note G - Deferred Compensation Plan

The Authority has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all Authority employees who qualify under the plan terms, and permits employees to defer a portion of their salary until future years. As required by the Internal Revenue Code, the plan assets have been placed in a trust for the exclusive benefit of the employees and are not the property of the Authority or subject to the claims of the Authority's general creditors. Accordingly, the assets of the plan are not reflected in the financial statements.

### Note H - Conduit Debt Obligations

The Authority has issued debt obligations on behalf of certain non-profit institutions for the purpose of construction, improvement of facilities or the refinancing of outstanding debt. These bonds, notes or other obligations and the interest thereon do not constitute a debt or liability of the Authority, the State of Missouri or any political subdivision thereof, but are special obligations between the investors and the debtors payable solely from the payments received by the trustee under the loan agreements and meet the definition of conduit debt in Governmental Accounting Standards Board Interpretation No.2, Disclosure of Conduit Debt Obligations. The number of issues and principal amount outstanding at December 31, 2015 and 2014 are as follows:

| | **2015** | | 2014 | |
|---|---|---|---|---|
| | **Number of Issues** | **Principal Amount** | Number of Issues | Principal Amounts |
| Revenue Bond Payable | **134** | **$9,350,458,821** | 124 | $9,398,239,008 |

### Note I - Concentration of Credit Risk

One of the Authority's notes receivable from a Missouri school district, totaling $109,851 and $152,679 for the years ended December 31, 2015 and 2014, respectively, is uncollateralized (Note C). Payments were current for the years ended December 31, 2015 and 2014.

# Supplemental Information

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# Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Directors
Missouri Health and Educational Facilities Authority
St. Louis, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Missouri Health and Educational Facilities Authority (the Authority) financial statements, and have issued our report thereon dated April 4, 2016.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficienc*y is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown Smith Wallace, LLP

St. Louis, Missouri
April 4, 2016

## Schedule of Conduit Debt
## Unaudited
December 31, 2015 and 2014

### Mortgage and Revenue Bonds Payable

The following revenue bonds of the Authority are collateralized by either or both of a pledge of the revenues of the borrowing institution or by first mortgages on the physical property financed with the proceeds of the debt offerings and by the Authority's assignment of its interest in the mortgaged properties to the trustees of the bond issues at December 31, 2015 and 2014:

### Public Placement Revenue Bonds Payable

| Institution | Series | Due in Varying Installments During | Range of Annual Interest Rate Percentage | 2015 | 2014 |
|---|---|---|---|---|---|
| Ascension Health | 2003 | 2026-2039 | (1) | $94,020,000 | $193,325,000 |
| Ascension Health | 2008C | 2015-2026 | (1) | 94,400,000 | 102,050,000 |
| A.T. Still University* | 2011 | 2013-2041 | 2.0-4.0 | 23,725,000 | 24,210,000 |
| A.T. Still University* | 2014 | 2015-2039 | 2.0-4.1 | 24,830,000 | 25,445,000 |
| Bethesda Health Group Inc. * | 2013AB | 2013-2041 | (2) | 73,075,000 | 74,520,000 |
| Bethesda Health Group Inc. * | 2015 | 2019-2045 | 4.0-5.0 | 39,345,000 | - |
| BJC Health System* | 2005AB | 2015-2034 | 4.125-5.00 | 73,400,000 | 157,890,000 |
| BJC Health System* | 2008ABCDE | 2014-2038 | (1) | 364,745,000 | 368,110,000 |
| BJC Health System* | 2013C | 2050 | (1) | 100,000,000 | 100,000,000 |
| BJC Health System* | 2014 | 2017-2044 | 4.15-5.0 | 200,000,000 | 200,000,000 |
| BJC Health System | 2015A | 2045 | 4.0 | 150,000,000 | - |
| Capital Region Medical* | 2011 | 2012-2027 | 2.25-4.0 | 25,745,000 | 27,585,000 |
| Children's Mercy Hospital* | 2008AB | 2009-2032 | (1) | 21,960,000 | 23,900,000 |
| Children's Mercy Hospital | 2009 | 2011-2039 | 2-5.625 | 169,595,000 | 172,110,000 |
| Christian Brothers College HS | 2002ABC | 2032 | (1) | - | 35,000,000 |
| Cox Health* | 1992 | 1995-2022 | 4.25-6.70 | 7,824,172 | 7,824,172 |
| Cox Health* | 1993 | 1194-2015 | 2.60-5.35 | - | 6,430,000 |
| Cox Health | 2008ABC | 2011-2043 | (1) | 136,745,000 | 266,875,000 |
| Cox Health | 2013A | 2016-2048 | 3.0-5.0 | 201,475,000 | 201,475,000 |
| Cox Health* | 2015A | 2022-2039 | 4.0-5.0 | 126,485,000 | - |
| DeSmet Jesuit High School | 2002 | 2027 | (1) | 10,235,000 | 10,910,000 |
| Drury University | 2012 | 2012-2042 | 2.42-3.72 | 31,330,000 | 31,940,000 |
| Freeman Health System | 2012 | 1995-2024 | 5.0 | 28,910,000 | 31,400,000 |
| Heartland Health | 2012 | 2013-2044 | 3.875-5.0 | 50,000,000 | 50,000,000 |
| K.C. Univ. of Med. & Biosciences* | 2013A | 2014-2033 | (2) | 24,250,000 | 24,750,000 |

### Public Placement Revenue Bonds Payable (Continued)

| Institution | Series | Due in Varying Installments During | Range of Annual Interest Rate Percentage | 2015 | 2014 |
|---|---|---|---|---|---|
| Kansas City Art Institute | 2005 | 2035 | (1) | 10,500,000 | 12,000,000 |
| Lake Regional Health System* | 2010 | 2010 | 3.00-5.00 | 20,250,000 | 22,095,000 |
| Lake Regional Health System | 2012 | 2013-2034 | 2.00-5.00 | 20,830,000 | 21,525,000 |
| Lutheran Church Extension Fund | 2007 | 2037 | (1) | 7,670,000 | 7,860,000 |
| Lutheran Senior Services | 2000 | 2031 | (1) | 38,015,000 | 39,510,000 |
| Lutheran Senior Services* | 2007ABC | 2008-2042 | 4.00-5.00 | 48,260,000 | 50,215,000 |
| Lutheran Senior Services* | 2010 | 2010-2042 | (1) | 38,040,000 | 38,300,000 |
| Lutheran Senior Services* | 2011 | 2015-2041 | 3.10-5.00 | 46,555,000 | 47,425,000 |
| Lutheran Senior Services* | 2014AB | 2015-2044 | (2) | 129,085,000 | 129,475,000 |
| Maryville University* | 2006 | 2007-2030 | 3.70-5.00 | 1,805,000 | 19,205,000 |
| Maryville University* | 2010 | 2010-2021 | (1) | 13,320,000 | 13,880,000 |
| Maryville University* | 2013AB | 2026-2043 | 4.22-4.36 | 12,495,000 | 13,495,000 |
| Maryville University* | 2015 | 2018-2045 | 2.00-5.00 | 21,015,000 | - |
| Mercy Health | 2001ABC | 2031 | (1) | 260,200,000 | 260,200,000 |
| Mercy Health | 2012 | 2013-2042 | 3.00-3.75 | 250,000,000 | 250,000,000 |
| Mercy Health* | 2014F | 2031-2048 | (1) | 360,920,000 | 360,920,000 |
| Missouri Pooled Hospital Loan Program* | 1999A | 2002-2029 | (1) | 8,740,000 | 9,660,000 |
| Missouri State University | 2010AB | 2003-2016 | 1.35-4.35 | 8,535,000 | 8,830,000 |
| Missouri State University | 2014 | 2015-2039 | 2.00-4.00 | 20,945,000 | 21,485,000 |
| Missouri State University* | 2015 | 2016-2040 | 1.625-3.80 | 16,790,000 | - |
| Ranken Technical College | 2011AB | 2012-2031 | 3.00-3.75 | 14,830,000 | 15,490,000 |
| Rockhurst University | 2011AB | 2012-2036 | (1) | 19,365,000 | 40,985,000 |
| Southeast Missouri University | 2010A,B | 2013-2040 | (1) | 53,190,000 | 54,495,000 |
| Southwest Baptist University | 2012 | 2013-2033 | 3.00-3.50 | 12,535,000 | 13,015,000 |
| SSM Health Care* | 2002AB | 2003-2020 | (2) | 17,250,000 | 31,800,000 |
| SSM Health Care* | 2008A | 2020-2036 | 5.00 | 104,000,000 | 104,000,000 |
| SSM Health Care* | 2010BCDE | 2010-2045 | (1) | 140,135,000 | 152,970,000 |
| SSM Health Care* | 2014A-K | 2020-2044 | (2) | 868,725,000 | 868,725,000 |
| St. Anthony's Medical Center* | 2015AB | 2017-2045 | 2.20-5.50 | 101,030,000 | - |
| St. Louis College of Pharmacy* | 2013 | 2014-2043 | 2.00-5.50 | 73,380,000 | 75,285,000 |
| St. Louis College of Pharmacy* | 2014 | 2024-2027 | 2.45 | 12,090,000 | 12,090,000 |
| St. Louis College of Pharmacy* | 2015 | 2030-2045 | 4.00-5.00 | 28,380,000 | - |
| St. Louis Priory School | 2009 | 2033 | (1) | 2,395,000 | 2,700,000 |

# MISSOURI HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

## Schedule of Conduit Debt
## Unaudited
December 31, 2015 and 2014

### Public Placement Revenue Bonds Payable (Continued)

| Institution | Series | Due in Varying Installments During | Range of Annual Interest Rate Percentage | 2015 | 2014 |
|---|---|---|---|---|---|
| St. Louis University* | 1998 | 1999-2018 | 4.00-5.50 | 4,815,000 | 9,375,000 |
| St. Louis University | 1999AB | 2000-2024 | (1) | 51,080,000 | 51,080,000 |
| St. Louis University | 2002 | 2003-2032 | (1) | 7,395,000 | 7,990,000 |
| St. Louis University* | 2003A | 2003-2016 | (1) | 535,000 | 1,060,000 |
| St. Louis University | 2008AB | 2008-2035 | (1) | 157,215,000 | 158,975,000 |
| St. Louis University* | 2015 | 2038-2045 | 4.00-5.00 | 97,795,000 | - |
| St. Louis University HS | 2007 | 2007-2028 | 3.75-4.25 | 8,975,000 | 9,910,000 |
| St. Luke's Episc.-Presb. Hospital | 2007 | 2017-2036 | 4.50-5.00 | 7,210,000 | 54,210,000 |
| St. Luke's Episc.-Presb. Hospital | 2011 | 2012-2025 | 2.5-5.25 | 26,695,000 | 30,220,000 |
| St. Luke's Episc.-Presb. Hospital | 2015 | 2026-2034 | 3.00-5.00 | 31,870,000 | - |
| St. Luke's Health System* | 2003AB | 2020-2032 | (1) | 125,000,000 | 125,000,000 |
| St. Luke's Health System | 2004A | 2004-2019 | 2.00-5.00 | 31,510,000 | 38,475,000 |
| St. Luke's Health System* | 2005AB | 2020-2035 | (1) | 100,000,000 | 100,000,000 |
| St. Luke's Health System* | 2010A | 2010-2041 | (1) | 86,120,000 | 88,705,000 |
| St. Pius-KC/St. Joseph Diocese* | 2011 | 2012-2029 | (2) | - | 4,990,000 |
| St. Pius-KC/St. Joseph Diocese* | 2015 | 2016-2035 | (1) | 6,766,000 | - |
| Stephens College* | 2013 | 2013-2043 | 4.0-6.0 | 7,740,000 | 7,875,000 |
| Stowers Institute | 2000 | 2035 | (1) | - | 215,000,000 |
| Stowers Institute* | 2002 | 2032-2036 | (1) | - | 75,000,000 |
| University of Missouri-MU Project | 2011 | 2012-2021 | 2.0-5.0 | 13,090,000 | 14,950,000 |
| University of Central Missouri | 2012A | 2012-2017 | .7-1.750 | 2,390,000 | 3,560,000 |
| University of Central Missouri* | 2013ABC | 2015-2035 | 2.32-4.625 | 68,345,000 | 70,060,000 |
| Washington University | 1996 | 2030 | (1) | 142,400,000 | 142,400,000 |
| Washington University | 2000ABC | 2030-2040 | (2) | 88,000,000 | 88,000,000 |
| Washington University | 2001A | 2011-2041 | 5.00-5.50 | - | 48,250,000 |
| Washington University | 2003B | 2033 | (1) | 25,135,000 | 25,135,000 |
| Washington University* | 2004AB | 2006-2034 | (1) | - | 81,100,000 |
| Washington University | 2005A | 2006-2022 | 3.00-5.00 | - | 11,550,000 |
| Washington University* | 2007AB | 2021-2041 | 4.20-5.00 | 230,995,000 | 230,995,000 |
| Washington University | 2008A | 2018-2039 | 5.25-5.375 | 193,625,000 | 193,625,000 |

### Public Placement Revenue Bonds Payable (Continued)

| Institution | Series | Due in Varying Installments During | Range of Annual Interest Rate Percentage | 2015 | 2014 |
|---|---|---|---|---|---|
| Washington University | 2009A | 2030-2039 | 4.5-5 | 93,770,000 | 93,770,000 |
| Washington University* | 2011ABC | 2012-2041 | 0.75-4.45 | 183,920,000 | 187,220,000 |
| Washington University | 2012 | 2013-2047 | 2.39-3.68 | 200,785,000 | 200,785,000 |
| Washington University* | 2014a | 2044 | 4.072 | 150,000,000 | 150,000,000 |
| Webster University | 2011 | 2015-2036 | 4.0-5.0 | 59,040,000 | 61,385,000 |
| William Jewell College* | 2005 | 2006-2035 | 2.75-4.450 | - | 13,350,000 |
| Total Public Placement Revenue Bonds Payable | | | | $7,055,585,172 | $7,427,384,172 |

# MISSOURI HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

## Schedule of Conduit Debt
## Unaudited

December 31, 2015 and 2014

### Private Placement Revenue Bonds Payable

| Institution | Series | Due in Varying Installments During | Range of Annual Interest Rate Percentage | 2015 | 2014 |
|---|---|---|---|---|---|
| Adv. For a Healthy Comm '13 | 2013 | 2015-2033 | (1) | $ 4,868,000 | $ 5,000,000 |
| Avila University | 2011AB | 2012-2031 | (1) | 15,005,000 | 15,665,000 |
| Barstow School | 2013 | 2013-2038 | 3.11 | 10,590,000 | 10,905,000 |
| BJC Health System* | 2011AB | 2043-2046 | (1) | 200,000,000 | 200,000,000 |
| BJC Health System* | 2012ABCDE | 2013-2042 | 2.13-5.25 | 271,000,000 | 271,000,000 |
| BJC Health System* | 2013A | 2039-2042 | (1) | 100,000,000 | 100,000,000 |
| BJC Health System* | 2013B | 2047-2048 | (1) | 100,000,000 | 100,000,000 |
| Burrell Behavioral Health | 2011 | 2012-2031 | 3.12 | - | 2,089,000 |
| Burrell Behavioral Health | 2015 | 2017-2025 | 2.54 | 7,400,000 | - |
| John Burroughs School | 2012 | 2014-2032 | (1) | 11,127,000 | 19,071,000 |
| Christian Brothers College HS | 2015 | 2020 | 4.0 | 26,203,395 | - |
| Churchill School | 2008 | 2009-2026 | (1) | - | 3,922,000 |
| Cox Medical Centers | 2007 | 2007-2017 | 4.32 | 942,157 | 1,504,881 |
| Culver-Stockton College | 2013 | 2014-2029 | 4.95 | 3,622,490 | 3,802,347 |
| Dialysis Clinic | 2000 | 2001-2020 | (1) | 2,300,000 | 1,700,000 |
| Family Care Health Center | 2010 | 2010-2020 | 3.31 | 1,221,792 | 1,442,556 |
| Fr. Augustine Tolton | 2010 | 2010-2017 | (1) | 6,525,000 | 6,775,000 |
| Fontbonne College | 2009 | 2010-2034 | 5.7 | 9,420,000 | 9,840,000 |
| Forsyth School | 2012 | 2012-2032 | (1) | 4,340,000 | 4,519,000 |
| Kauffman School | 2012 | 2013-2027 | (2) | 27,067,959 | 29,323,623 |
| Life Flight Eagle | 2013 | 2014-2023 | 3.40 | 6,403,384 | 6,655,965 |
| Living Word Christian School | 2002 | 2002-2027 | (1) | 2,890,563 | 3,079,070 |
| Lutheran Senior Services | 2014CD | 2016-2035 | 2.75-3.1 | 41,145,000 | 41,145,000 |
| Maryville University* | 2015B | 2018-2030 | 2.95 | 15,110,000 | - |
| Mercy Health* | 2014ABCD | 2014-2039 | (1) | 324,400,000 | 335,950,000 |
| Mercy Health | 2014DE | 2014-2051 | (2) | 110,000,000 | 110,000,000 |
| MICDS | 2013 | 2013-2021 | 1.73 | 16,407,527 | 24,000,000 |
| Missouri Baptist University | 2014 | 2015-2044 | (2) | 36,131,000 | 36,750,000 |
| Pathways Comm Behavior | 2009 | 2018-2030 | 2.95 | 4,687,300 | 4,951,300 |
| Pembroke Hill School | 2014 | 2015-2039 | 3.020 | 14,960,000 | 15,255,000 |
| Preferred Family Healthcare | 2013 | 2013-2033 | (2) | 8,636,300 | 9,030,100 |
| Preferred Family Healthcare | 2014 | 2014-2025 | 2.75 | 6,300,900 | 6,866,600 |
| Rockhurst High School | 2010ABC | 2010-2036 | (1) | 16,830,000 | 17,485,000 |
| Rockhurst High School | 2015AB | 2016-2032 | (2) | 19,430,000 | - |
| SSM Health Care | 2012AB | 2013-2045 | (1) | 177,710,000 | 181,110,000 |
| St. Anthony's Medical Center* | 2013ABCD | 2014-2033 | (2) | 84,260,000 | 170,880,000 |
| St. John Vianney High School | 2013 | 2013-2030 | (2) | 4,310,000 | 4,895,000 |

**Private Placement Revenue Bonds Payable (Continued)**

| Institution | Series | Due in Varying Installments During | Range of Annual Interest Rate Percentage | 2015 | 2014 |
|---|---|---|---|---|---|
| St. Louis College of Pharmacy* | 2015A | 2017-2029 | 2.30 | 12,500,000 | - |
| St. Louis University High School | 2012 | 2014-2024 | (1) | 4,075,000 | 4,190,000 |
| St. Lukes Episc-Presb Hospital | 2015A | 2017-2021 | 2.13 | 25,000,000 | - |
| St. Luke's Kansas City | 2012AB | 2012-2040 | (1) | 140,000,000 | 140,000,000 |
| St. Luke's Kansas City | 2012C | 2013-2042 | (1) | 50,000,000 | 50,000,000 |
| St. Michael High School | 2015 | 2018-2055 | 4.02 | 21,090,000 | - |
| Stowers Institute | 2015A-D | 2045 | 4.875 | 290,000,000 | - |
| Summit Christian School | 2010 | 2014-2030 | (1) | 7,660,000 | 8,020,000 |
| Truman Medical Center | 2006ABC | 2007-2018 | 5.20-5.435 | 1,724,694 | 2,240,254 |
| Truman Medical Center | 2013 | 2013-2020 | 3.45 | 9,792,501 | 11,371,228 |
| University of Central Missouri | 2007 | 2008-2017 | 4.90 | 286,687 | 420,912 |
| Webster University | 2015 | 2018-2040 | 2.61 | 26,000,000 | - |
| William Jewell College | 2015 | 2016-2031 | 3.33 | 15,500,000 | - |
| Total Private Placement Revenue Bonds Payable | | | | 2,294,873,649 | 1,970,854,836 |
| Total Revenue Bonds Payable | | | | $9,350,458,821 | $9,398,239,008 |

(1) Rate fluctuates within established minimum and maximum ranges.
(2) Interest rate range applies to a portion of this bond issue, and a variable rate applies to the remainder.
* Subject to mandatory redemption

# Schedule of Conduit Debt
## Unaudited
December 31, 2015 and 2014

**Maturities of Outstanding Conduit Debt Obligations**

The aggregate maturities of the outstanding conduit debt obligations above at December 31, 2015 are as follows:

| Year | Amount |
|---|---|
| 2016 | $ 132,207,195 |
| 2017 | 147,402,937 |
| 2018 | 189,360,465 |
| 2019 | 161,859,071 |
| 2020-2024 | 964,818,274 |
| 2025-2029 | 955,118,062 |
| 2030-2034 | 1,744,888,378 |
| 2035-2039 | 2,024,737,334 |
| 2039-2044 | 1,732,514,720 |
| 2045-2049 | 1,070,364,720 |
| 2050-2055 | 227,187,666 |
| Total | $ 9,350,458,821 |